



**Law Offices of Bennet & Bennet, PLLC**

**Maryland**

6124 MacArthur Boulevard  
Bethesda, Maryland 20816  
Tel: (202) 371-1500  
Fax: (202) 371-1558  
[www.bennetlaw.com](http://www.bennetlaw.com)

**District of Columbia**

10 G Street NE, Suite 710  
Washington, DC 20002

**Caressa D. Bennet**

**Michael R. Bennet**

**Marjorie G. Spivak\***

**Kenneth C. Johnson‡**

**Howard S. Shapiro**

\* Admitted in DC & PA Only  
‡Admitted in DC & VA Only

**Daryl A. Zakov^**

**Robert A. Silverman**

**Anthony K. Veach\***

**Of Counsel**

**Tara B. Shostek**

^Admitted in DC & WA Only  
#Admitted in DC & FL Only

March 4, 2013

**VIA ECFS**

Marlene H. Dortch, Secretary  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: Notice of *Ex Parte*  
WC Docket Nos. 10-90 and 05-337**

Dear Ms. Dortch:

On Thursday, February 28, 2013, representatives of Central Texas Telephone Cooperative, Inc. (“Central Texas”), including Kenneth Johnson of Bennet & Bennet, PLLC, Clay Sturgis of Moss Adams, Jamey Wigley, General Manager of Central Texas, and Lawana Drosche, Finance Manager for Central Texas, met with Joseph Cavender, Erin Boone, Joseph Sorresso, and Travis Litman of the Federal Communications Commission (“FCC” or “Commission”) Wireline Competition Bureau (“Bureau”) to discuss the status of Central Texas’s Petition for Waiver<sup>1</sup> and Application for Review<sup>2</sup> of the FCC’s universal service rules in light of the recently released Sixth Order on Reconsideration.<sup>3</sup> Kenneth Johnson also spoke briefly with Michael Steffen, Legal Advisor to FCC Chairman Julius Genachowski, to note the financial impact of the Sixth Order on Central Texas. Central Texas praised the Bureau for its transparent and open handling of the quantile regression analysis process and discussed the results of the FCC’s decision in the Sixth Order to sum the opex and capex caps generated by the quantile regression analysis for most of 2013.

<sup>1</sup> *In re Petition for Waiver of Central Texas Telephone Cooperative, Inc.*, WC Docket Nos. 10-90, *et. al.*, (filed Sep. 4, 2012).

<sup>2</sup> *In re Central Texas Telephone Cooperative, Inc. Application for Review*, WC Docket Nos. 10-90, *et. al.*, (filed May 25, 2012).

<sup>3</sup> *In re Connect America Fund*, WC Docket Nos. 10-90, *et. al.*, Sixth Order on Reconsideration and Memorandum Opinion and Order, FCC 13-16 (February 27, 2013) (“Sixth Order”).

March 4, 2013

Page 2 of 2

Central Texas noted that the effective date of the Sixth Order would still result in the loss of necessary high cost support for the last six months of 2012 and at least the first three months of 2013. Specifically, even with imminent summation of the opex and capex caps, Central Texas still stands to lose approximately [REDACTED] for the 9 months of July 1, 2012 through March 31, 2013. For every month the Sixth Order rules are not in effect, Central Texas loses approximately [REDACTED] per month. Central Texas pointed out that this loss in support has a deleterious effect on its broadband construction plans. Central Texas reiterated that in the rocky and vast terrain that it serves, the cost of maintaining aerial cable (opex) is actually more costly than burying and maintaining underground cable (capex). Central Texas stated that the summation of capex and opex in the Sixth Order remedied this reality, but argued that the same rationale that persuaded the Commission to sum capex and opex for the remainder of 2013 also applies to 2012 and the first few months of 2013.

Central Texas also discussed how its finances have been an open book throughout the FCC's entire waiver process and that Central Texas has demonstrated its prudent approach to the construction of its broadband network where its loop lengths are extremely long and the terrain is challenging.

Should you have any questions or require additional information, please do not hesitate to contact the undersigned.

Respectfully submitted,

*/s/ Kenneth C. Johnson*

Kenneth C. Johnson

cc: Michael Steffen  
Joseph Cavender  
Erin Boone  
Joseph Sorresso  
Travis Litman